

AN ACT concerning insurance.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Title Insurance Act is amended by changing Section 26 as follows:

(215 ILCS 155/26)

Sec. 26. Settlement funds.

(a) A title insurance company, title insurance agent, or independent escrowee shall not make disbursements in connection with any escrows, settlements, or closings out of a fiduciary trust account or accounts unless the funds in the aggregate amount of \$50,000 or greater received from any single party to the transaction are good funds as defined in paragraphs (2), (6), or (7) of subsection (c) of this Section; or are collected funds as defined in subsection (d) of this Section.

For the purposes of this subsection (a), where funds in the aggregate amount of \$50,000 or greater are received from any purchaser of residential real property, as defined in paragraph (14) of Section 3 of this Act, the aggregate amount may consist of good funds of less than \$50,000 per paragraph, as defined in paragraphs (3) and (5) of subsection (c) of this Section and of up to \$5,000 in good funds, as defined in paragraph (4) of

subsection (c) of this Section.

(a-5) In addition to the good funds disbursement authorization set forth in subsection (a) of this Section, a title insurance company, title insurance agent, or independent escrowee is authorized to make disbursements in connection with any escrows, settlements, or closings out of a fiduciary trust account or accounts where the funds in the aggregate amount of \$50,000 or greater are received from any single party to the transaction if:

(1) the funds are transferred by a cashier's check, teller's check, or certified check, as defined in the Uniform Commercial Code, that is drawn on or issued by a financial institution, as defined in this Act;

(2) the title insurance company, title insurance agent, or independent escrowee and the financial institution, as defined in this Act, ~~are known to each other and~~ agree to the use of cashier's checks, teller's checks, or certified checks to disburse the loan and related closing costs being funded by the financial institution as good funds under item (3) of subsection (c) of this Section; and

(3) the cashier's check, teller's check, or certified check is delivered to the title insurance company, title insurance agent, or independent escrowee in sufficient time for the check to be deposited into the title insurance company's, title insurance agent's, or independent

escrowee's fiduciary trust account prior to disbursement from the fiduciary trust account of the title insurance company, title insurance agent, or independent escrowee.

~~The provisions of this subsection (a-5) are inoperative on and after January 1, 2015.~~

(b) A title insurance company or title insurance agent shall not make disbursements in connection with any escrows, settlements, or closings out of a fiduciary trust account or accounts unless the funds in the amount of less than \$50,000 received from any single party to the transaction are collected funds or good funds as defined in subsection (c) of this Section.

(c) "Good funds" means funds in one of the following forms:

(1) lawful money of the United States;

(2) wired funds unconditionally held by and credited to the fiduciary trust account of the title insurance company, the title insurance agent, or independent escrowee;

(3) cashier's checks, certified checks, bank money orders, official bank checks, or teller's checks drawn on or issued by a financial institution and unconditionally held by the title insurance company, title insurance agent, or independent escrowee;

(4) a personal check or checks in an aggregate amount not exceeding \$5,000 per closing, provided that the title insurance company, title insurance agent, or independent escrowee has reasonable grounds to believe that sufficient

funds are available for withdrawal in the account upon which the check is drawn at the time of disbursement;

(5) a check drawn on the trust account of any lawyer or real estate broker licensed under the laws of any state, provided that the title insurance company, title insurance agent, or independent escrowee has reasonable grounds to believe that sufficient funds are available for withdrawal in the account upon which the check is drawn at the time of disbursement;

(6) a check issued by this State, the United States, or a political subdivision of this State or the United States; or

(7) a check drawn on the fiduciary trust account of a title insurance company or title insurance agent, provided that the title insurance company, title insurance agent, or independent escrowee has reasonable grounds to believe that sufficient funds are available for withdrawal in the account upon which the check is drawn at the time of disbursement.

(d) "Collected funds" means funds deposited, finally settled, and credited to the title insurance company, title insurance agent, or independent escrowee's fiduciary trust account.

(e) A purchaser, a seller, or a lender is each considered a single party to the transaction for the purposes of this Section, regardless of the number of people or entities making

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up the purchaser, seller, or lender.

(Source: P.A. 98-387, eff. 8-16-13.)

Section 99. Effective date. This Act takes effect upon becoming law.